

Message Text

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ACTION EB-11

INFO OCT-01 EA-11 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20 NSC-07 L-03

H-03 PA-04 PRS-01 USIA-15 DRC-01 /097 W

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R 100716Z JUN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4177

INFO AMEMBASSY SUVA

C O N F I D E N T I A L SECTION 1 OF 2 MANILA 6810

E.O. 1652: N/A

TAGS ETRN, FJ, US

SUBJECT: CIVAIR: DOING BUSINESS ARTICLE IN STANDARD
AGREEMENT

1. BEGIN SUMMARY: US-FIJI NEGOTIATIONS, INITIATED IN
HONOLULU ON JUNE 3, 1974, CONCLUDED ON JUNE 7
WITHOUT AGREEMENT. FIJI DEL HOPED NEGOTIATIONS COULD BE
RESUMED IN SUVA IN VERY NEAR FUTURE. WHILE
AGREEMENT WAS FINALLY REACHED ON ALL ARTICLES OF
AGREEMENT TEXT, UNDERSTANDING COULD NOT BE REACHED ON
ROUTE SCHEDULE. MEMCON SIGNED COVERING NUMBER OF
COLLATERAL MATTERS.

2. AT OPENING SESSION TWO DELS AGREED TO FOCUS ON
ROUTE MATTERS FIRST. EACH SIDE RESTATED ROUTE
POSITIONS TABLED DURING FEBRUARY TALKS (US DOCUMENT 3
AND FIJI DOCUMENT 2). US DEL REVIEWED HISTORY OF TALKS,
INCLUDING US OBJECTIVE OF GAINING ACCESS TO THE REGION.
FIJI OPPOSITION TO US REGIONAL ACCESS HAD LED TO A TWO-PHASE
APPROACH IN FEBURARY WITH US OBTAINING LONG HAUL ROUTE
AND FIJI OBTAINING REGIONAL ROUTE IN FIRST PHASE. WHILE
THE DETAILS OF US REGIONAL ROUTE AND FIJI LONG HAUL
ROUTE WOULD BE INCLUDED IN ANY AGREEMENT, IMPLEMENTATION
OF THIS SECOND PHASE WOULD BE SUBJECT TO PRIOR CONSULTATIONS
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ONE YEAR BEFORE THE TERMINATION OF THE AGREEMENT 5 YEARS HENCE.

PRESUMABLY, IF AGREEMENT REACHED IN SUCH CONSULTATIONS AGREEMENT WOULD BE EXTENDED. WHILE AN ACCORD ON THIS CONCEPT WAS ACHIEVED IN THE FEBRUARY ROUND NO AGREEMENT COULD BE REACHED ON DETAILS OF ROUTE EXCHANGE.

3. FIJI DEL CONCEDED US DEL REVIEW OF HISTORY WAS CORRECT BUT SAID FIJI POSITION NOW WAS THAT SECOND PHASE ROUTE COULD NOT BE NEGOTIATED AT THIS TIME BECAUSE FIJI SIMPLY DID NOT KNOW NOW WHAT ITS LONG TERM ASPIRATIONS WOULD BE FOUR YEARS HENCE. US DEL RESPONDED THAT US REGIONAL INTERESTS FOR SECOND PHASE HAD BEEN ESTABLISHED THROUGH PAA CERTIFICATE AND US STILL WISHED TO INCLUDE DETAILS OF SECOND PHASE ROUTES IN DEAL.

4. TURNING TO FIRST PHASE ROUTES, US DEL SAID PRINCIPAL OBSTACLE TO AGREEMENT IN LAST ROUND WAS QUESTION OF FIJI-AMERICAN SOAMOA SECTOR ON WHICH FIJI WANTED EXCLUSIVE RIGHTS. US WAS NOW PREPARED, AS A MAJOR CONCESSION, TO GRANT FIJI SUCH A CONCESSION ON THE ASSUMPTION THAT CURRENT PAA-AIR PACIFIC NEGOTIATIONS REGARDING PAA ENTRANCE TO AIR PACIFIC CONSORTIUM WOULD PROVE SUCCESSFUL AND PROVIDED REMAINDER OF US PROPOSAL IN FEBRUARY US DOCUMENT 3 WERE ACCEPTABLE. US DEL ALSO REQUESTED THAT BANGLADESH BE ADDED TO US ROUTE 1 IN DOCUMENT 3.

5. FIJI DEL SAID COULD ACCEPT ADDITION OF BANGLADESH AND WAS PREPARED TO ACCEPT PAPUA-NEW GUINEA ON A BLIND SECTOR BASIS BUT COULD NOT ACCEPT INCLUSION OF REGIONAL POINTS SOCIETY ISLAND, NEW HEBRIDES AND NEW CALEDONIA ON US ROUTE. RE FIJI ROUTES FIJIDEL INSISTED ON INCLUDING GUAM OR SAIPAN ON ROUTE 2 AND TAHITI ON ROUTE 1 (FEBRUARY US DOCUMENT 3).

6. IN SEVERAL SESSIONS ON PHASE 1 ROUTES DIFFERENCES BETWEEN TWO SIDES COULD CAK BE RESOLVED SOUS DEL PROPOSED "BARE BONES" SOLUTION WHICH WOULD COVER NEAR TERO REQUIRMENTS FOR BOTH SIDES, LEAVING FOR LATER DISCUSSION SOLUTION OF EXPANDED PHASE 1 PACKAGE. FIJIDEL ACCEPTED THIS APPROACH; ACCORDINGLY TWO SIDES TABLED

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FOLLOWING ROUTE PROPOSALS. US DEL PROPOSED FOR US, US INCLUDING AMERICAN SAMOA -NADI-NEW ZEALAND-AUSTRALIA AND S.E. ASIA (LATER EXPANDED TO COVER INDONESIA, SINGAPORE, MALAYSIA, BANGKOK , HONG KONG, AND BEYOND) AND FOR FIJI, ROUTE 1, FIJI -TONGA-NIUE -PAGO PAGO AND ROUTE 2, FIJI -ELLICE ISLANDS - GILBERT ISLANDS MAJURO. FIJIDEL PROPOSED FOR US, LOS ANGELES -HONOLULU -NADI-SYDNEY- JAKARTA-

DENPASAR-HONG KONG AND FOR FIJI, FIJI -APIA-
TONGA-PAGO PAGO -RARONTONGA -TAHITI.

7. DISCUSSION ON "BARE BONES" PROPOSAL REVEALED SHARP
DISAGREEMENT ON INCLUSION OF TAHITI ON FIJI ROUTE.
US DEL SAID THIS MAJOR LONG HAUL POINT COULD ONLY BE
CONSIDERED AS PART OF LARGER PACKAGE. FIJIDEL SAID
TAHITI WAS SINE QUA NON EVEN IN "BARE BONES" DEAL.
FAILURE TO RESOLVE THIS ISSUE LED TO JOINT DECISION TO
TERMINATE THE TALKS WITHOUT AGREEMENT.

8. TWO DELS EXAMINED TEXT OF AGREEMENT AND RESOLVED
OUTSTANDING PROBLEMS ON ARTICLES 4, 5, 7, 10 SO COMPLETE
TEXT IS NOW CLEARED. FIJI ACCEPTANCE OF US POSITION
ON ARTICLES 5 AND 10 WAS CONDITIONAL ON EXPLANATORY
NOTES IN MEORANDUM OF CONSULTATION.

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C O N F I D E N T I A L SECTION 2 OF 2 MANILA 6810

9. MEMORANDUM OF CONSULTATION ALSO CONTAINS PROVISIONS
REGARDING CONSORTIUM ASPECTS OF AIR PACIFIC BOTH IN
RESPECT TO CAB PERMIT APPLICATION AS WELL AS IN RESPECT
TO PAA ROLE IN CONSORTIUM MEMORANDUM CONTAINS
REFERENCE TO FIJI HOPE THAT PAA US BEST EFFORTS TO
CONSULT WITH FIJI AERONAUTICAL AUTHORITIES ON IATA RATE
CONFERENCES. FINALLY, MEMORANDUM DEALS WITH FIJI

TREATMENT OF PAA AUTHORIZATION IN LIGHT OF FAILURE TO CONCLUDE NEW AIR TRANSPORT AGREEMENT. FIJI GOVERNMENT WILL ADVISE US GOVERNMENT OF ITS DECISION IN THIS MATTER PRIOR TO JUNE 14 ON WHICH DATE PAA CURRENT AUTHORIZATION EXPIRES.

10. IN CLOSING SESSION US DEL REQUESTED FAVORABLE FIJI CONSIDERATION OF PAA APPLICATION FOR NEW CARGO SERVICE WHICH HAS BEEN HELD UP BY GOF. FIJIDEL AGREED TO LOOK AT THIS.

11. US DEL ALSO RAISED AT PAA REQUEST MATTER OF GROUND HANDLING AT NADI AND USE OF PAA PERSONNEL REGARDLESS OF NATIONALITY. FIJI DEL SUGGESTED PERSONNEL MATTER COULD BE BETTER DEALT WITH DIRECTLY WITH FIJI IMMIGRATION AUTHORITIES BY US EMBASSY FIJI. RE GROUND HANDLING
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FIJI SAID GOF WAS CONSIDERING ESTABLISHMENT OF LOCAL COMPANY FOR GROUND HANDLING AND WOULD BE PREPARED TO CONSIDER ANY US VIEWS IN ITS DECISION. US DEL SAID US WOULD CONSIDER MATTER FURTHER AND IF INCLUSION OF ITEM ON THESE TWO QUESTIONS IN MEMORANDUM SEEMED DESIRABLE US DEL WOULD SUBMIT PROPOSED LANGUAGE THROUGH DIPLOMATIC CHANNELS.

12. TWO DELS DISCUSSED QUESTION OF FURTHER TALKS. USEL SAID WAS OPEN ON QUESTION. FIJIDEL EXPRESSED HOPE TALKS COULD BE RESUMED "IN VERY NEAR FUTURE" IN FIJI.
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